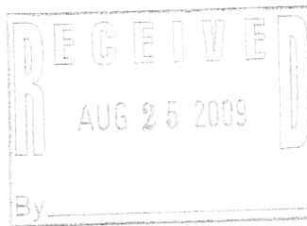




COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
AUDITOR - CONTROLLER

DATE RECEIVED:



AUDIT REVIEW #(s) 05174

Assigned To: Kolbe

Date Reviewed: 8-27-09

Reviewer's Initials: JK

Date Review(s) Completed: 8-27-09

County of Sacramento
Sheriff's Department
California Governor's Office of Emergency Services
Identity Theft Program, Grant No. HD07070340
For the Period July 1, 2007, to December 31, 2008

County of Sacramento
Sheriff's Department
California Governor's Office of Emergency Services
Identity Theft Program, Grant No. HD07070340
For the Period July 1, 2007, to December 31, 2008

Audit Staff:

Hong Lun (Andy) Yu	Audit Manager
Richard Baldwin	Auditor

County of Sacramento
Sheriff's Department
California Governor's Office of Emergency Services
Identity Theft Program, Grant No. HD07070340
For the Period July 1, 2007, to December 31, 2008

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Internal Services Agency

Department of Finance

Auditor-Controller Division

Julie Valverde,

Assistant Auditor-Controller



County of Sacramento

Terry Schutten, County Executive
Mark Norris, Agency Administrator
Dave Irish, CPA, Department Director

August 13, 2009

John McGinness, Sheriff
County of Sacramento
711 G Street
Sacramento, CA 95814

AUDITOR'S REPORT

We have audited the accompanying Schedule of Status of Cash and Accounts Receivable (State and Local) of the County of Sacramento, Sheriff's Department, California Governor's Office of Emergency Services (OES), Identity Theft Program Grant Number HD07070340 as of December 31, 2008, and the related Schedule of Approved Budget, Expenditures Claimed, and Audited Costs for the grant period July 1, 2007, to December 31, 2008. These schedules are the responsibility of the Sheriff's Department. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States and with certain provisions of *OES Grant Recipient Handbook*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe our audit provides a reasonable basis for our opinion.

In connection with the audit contained herein, there are certain disclosures that are necessary pursuant to *Government Auditing Standards* Statement #3.

As required by various statutes within the California Government Code, County Auditor-Controllers or Directors of Finance are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair *Government Auditing Standards* independence standards. Specifically, "auditors should not audit their own

work or provide non-audit services in situations where the amounts or services involve significant/material to the subject matter of the audit.”

Although the Director of Finance is obligated by statute to maintain the accounts of departments, districts, or funds that are contained within the county treasury, we believe the following safeguard and division of responsibility exists: the staff that has the responsibility to perform audits within the Auditor-Controller Division has no other responsibility of the accounts records being audited, including the approval or posting of financial transactions that therefore enable the reader of this report to rely on the information contained herein.

In our opinion, except for the disclosure for *Government Auditing Standards* Statement noted above, the schedules presents fairly in all material respects, the Status of Cash Accounts Receivable (State and Local) of the Sheriff's Department, OES, Identity Theft Prevention Grant Number HD07070340 and the related Approved Budget, Expenditures Claimed Audited Costs for the period July 1, 2007, to December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report August 13, 2009, on our consideration of the Sheriff's Department internal control structure, financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sincerely,

DAVE IRISH
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, C.P.A.
Audit Manager

County of Sacramento
Sheriff's Department
California Governor's Office of Emergency Services
Grant Number HD07070340
Identity Theft Program

Schedule of Status of Cash and Accounts Receivable
(State and Local)

As of December 31, 2008

Cash Received

State (Received during the grant period)	\$ 494,849
Local (Match)	<u>140,476</u>
Total cash available during the grant period	<u>635,325</u>
Amount due from State	<u>58,102</u>
Total funds available for the grant period	<u>\$ 693,427</u>

Disbursements

State	\$ 552,951
Local	<u>140,476</u>
Total Disbursements	<u>\$ 693,427</u>

The accompanying notes are an integral part of this schedule.

County of Sacramento
 Sheriff's Department
 California Governor's Office of Emergency Services
 Grant Number HD07070340
 Identity Theft Program

Schedule of Approved Budget,
 Expenditures Claimed, and Audited Costs

For the Period July 1, 2007, to December 31, 2008

	Budget	Expenditures Claimed and Audited Costs		
		Grant	Match	Total
Costs				
Personal Services	\$ 497,329	356,289	140,039	496,328
Operating Expenses	205,050	196,662	437	197,099
Total Costs	<u>\$ 702,379</u>	<u>552,951</u>	<u>140,476</u>	<u>693,427</u>
Funding				
State	\$ 561,903	552,951		552,951
Local	140,476		140,476	140,476
Total Funds	<u>\$ 702,379</u>	<u>552,951</u>	<u>140,476</u>	<u>693,427</u>

The accompanying notes are an integral part of this schedule.

County of Sacramento
Sheriff's Department
California Governor's Office of Emergency Services
Grant Number HD07070340
Identity Theft Program

Notes to Financial Schedules

For the Period July 1, 2007, to December 31, 2008

1. Program Description

The County of Sacramento, Sheriff's Department, entered into Grant Number HD07070340, California Governor's Office of Emergency Services (OES) Identity Theft Program for the period of July 1, 2007, through December 31, 2008 in the amount of \$702,379 (\$561,903 state funding from OES, and \$140,476 local funding) with the State of California. The objective of the program was to educate investigators and prosecutors with high technology training, provide them with updated equipment, and to thoroughly investigate and prosecute violators who commit Identity Theft crimes. The grant was approved by resolution 2007-0567, adopted by the Sacramento County Board of Supervisors on May 15, 2007.

2. Accounts and Records

The County of Sacramento, Sheriff's Department receives funds from OES, which are deposited to the Sheriff's Department Identity Theft Program revenue account with the County of Sacramento, Department of Finance, Treasurer. A separate fund center is maintained within the financial records of the County of Sacramento for this program. Expenditures are reimbursed quarterly. OES Report of Expenditures and Request for Funds, Form 201, is completed by the Sheriff's Department and submitted to OES for reimbursement of grant expenditures.

3. Local Funding Percentage

The grant agreement requires a local cash match requirement of 25% total expenditures claimed up to a total local match of \$140,476. The local match requirement was met.

4. Accounts Receivable

The funds received from OES during the grant period July 1, 2007, to December 31, 2008, was \$494,849. The accounts receivable was \$58,102 and was subsequently received. The total grant funds received from OES was \$552,951.

OTHER REPORT

Internal Services Agency

Department of Finance

Auditor-Controller Division

Julie Valverde,
Assistant Auditor-Controller



County of Sacramento

Terry Schutten, County Executive
Mark Norris, Agency Administrator
Dave Irish, CPA, Department Director

August 13, 2009

John McGinness, Sheriff
County of Sacramento
711 G Street
Sacramento, CA 95814

**AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL SCHEDULES PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the accompanying Status of Cash and Accounts Receivable (State and Local) of the County of Sacramento, Sheriff's Department, California Governor's Office of Emergency Services (OES), Identity Theft Program Grant Number HD07070340 as of December 31, 2008, and the related schedules of Approved Budget, Expenditures Claimed, and Audited Costs for the period July 1, 2007, through December 31, 2008, and have issued our report thereon dated August 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, and with certain provisions of the *OES Grant Recipient Handbook*.

Compliance

As part of obtaining reasonable assurance about whether the Sheriff's Department financial schedules are free of material misstatements, we performed tests of the Sheriff's Department compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sheriff's Department internal control over financial reporting for designing our auditing procedures for the purpose of expressing our opinion on the financial schedules, and not for the purpose of expressing an opinion on the effectiveness of

the Sheriff's Department internal control over financial reporting. Accordingly, we do not have an opinion on the Sheriff's Department internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management and employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's Department ability to initiate, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's Department internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's Department internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

This report is intended for the information of the management of the Sheriff's Department, the Sacramento County Board of Supervisors, and OES. This report is not intended to be used by anyone other than these specified parties. However, this report is a public record and its distribution is not limited.

Sincerely,

DAVE IRISH
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, C.P.A.
Audit Manager

Internal Services Agency

Department of Finance

Auditor-Controller Division

Julie Valverde,
Assistant Auditor-Controller



County of Sacramento

Terry Schutten, County Executive
Mark Norris, Agency Administrator
Dave Irish, CPA, Department Director



August 13, 2009

Office of Emergency Services
Audits Branch
3650 Schriever Ave.
Mather, CA 95655

Enclosed is the final audit report for the California Governor's Office of Emergency Services, Grant Number HD07070340, Identity Theft Program, for the period of July 1, 2007, through December 31, 2008.

If you have any questions, please contact Richard Baldwin of my staff at (916) 874-7423.

Sincerely,

DAVE IRISH
DIRECTOR OF FINANCE

By: Hong Lun (Andy) Yu
Audit Manager